

LARSON & STEPHENS
810 S. Casino Center Blvd., Suite 104
Las Vegas, Nevada 89101
Tel: (702) 382-1170 Fax: (702) 382-1169

James I. Stang, Esq. (CA Bar No. 94435)
Shirley S. Cho, Esq. (CA Bar No. 192616)
Werner Disse, Esq. (CA Bar No. 143458)
PACHULSKI STANG ZIEHL & JONES LLP
10100 Santa Monica Blvd., 11th Floor
Los Angeles, California 90067-4100
Telephone: 310/277-6910
Facsimile: 310/201-0760
Email: jstang@pszjlaw.com
scho@pszjlaw.com
wdisse@pszjlaw.com

E-File: October 16, 2009

Zachariah Larson, Esq. (NV Bar No. 7787)
LARSON & STEPHENS
810 S. Casino Center Blvd., Ste. 104
Las Vegas, NV 89101
Telephone: 702/382.1170
Facsimile: 702/382.1169
Email: zlarson@lslawnv.com

Attorneys for Debtors and
Debtors in Possession

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re:

THE RHODES COMPANIES, LLC, aka
"Rhodes Homes, et al.,¹
Debtors.

Case No.: BK-S-09-14814-LBR
(Jointly Administered)

Chapter 11

Affects:

- ☐ All Debtors
☒ Affects the following Debtor(s):

The Rhodes Companies, LLC 09-14814
LBR

Hearing Date: November 16, 2009
Hearing Time: 9:30 a.m.
Courtroom 1

¹ The Debtors in these cases, along with their case numbers are: Heritage Land Company, LLC (Case No. 09-14778); The Rhodes Companies, LLC (Case No. 09-14814); Tribes Holdings, LLC (Case No. 09-14817); Apache Framing, LLC (Case No. 09-14818); Geronimo Plumbing LLC (Case No. 09-14820); Gung-Ho Concrete LLC (Case No. 09-14822); Bravo, Inc. (Case No. 09-14825); Elkhorn Partners, A Nevada Limited Partnership (Case

**DEBTORS' OBJECTION TO HERMINIA SCANNICCHIO'S CLAIM PURSUANT TO
SECTION 502(b) OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 3003
AND 3007 (NON-DEBTOR CLAIM); DECLARATION OF PAUL D. HUYGENS IN
SUPPORT THEREOF**

Pursuant to section 502(b) of title 11 of the United States Code (the "Bankruptcy Code") and Rules 3003 and 3007 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), the above-captioned debtors and debtors in possession (collectively, the "Debtors") hereby object (the "Objection") to the claim (the "Non-Debtor Claim") of Herminia Scannicchio, attached to the letter in **Exhibit A**, because the claim is against a non-Debtor entity that was erroneously filed against the Debtors. The Debtors request the entry of an order (the "Order") disallowing and expunging in full the Non-Debtor Claim.² In support of this Objection, the Debtors rely on the *Declaration of Paul D. Huygens in Support of Debtors' Objection to Herminia Scannicchio's Claim Pursuant to Section 502(b) of the Bankruptcy Code and Bankruptcy Rules 3003 and 3007 [Non-Debtor Claim]*. In further support of this Objection, the Debtors respectfully represent as follows:

BACKGROUND

1. On March 31, 2009, the above-captioned Debtors (the "Primary Filers") except Tuscany Golf Country Club, LLC, Pinnacle Grading, LLC, and Rhodes Homes Arizona, LLC (the "Secondary Filers") filed voluntary petitions for relief under chapter 11 of title 11 of the

No. 09-14828); Six Feathers Holdings, LLC (Case No. 09-14833); Elkhorn Investments, Inc. (Case No. 09-14837); Jarupa, LLC (Case No. 09-14839); Rhodes Realty, Inc. (Case No. 09-14841); C & J Holdings, Inc. (Case No. 09-14843); Rhodes Ranch General Partnership (Case No. 09-14844); Rhodes Design and Development Corporation (Case No. 09-14846); Parcel 20, LLC (Case No. 09-14848); Tuscany Acquisitions IV, LLC (Case No. 09-14849); Tuscany Acquisitions III, LLC (Case No. 09-14850); Tuscany Acquisitions II, LLC (Case No. 09-14852); Tuscany Acquisitions, LLC (Case No. 09-14853); Rhodes Ranch Golf Country Club, LLC (Case No. 09-14854); Overflow, LP (Case No. 09-14856); Wallboard, LP (Case No. 09-14858); Jackknife, LP (Case No. 09-14860); Batcave, LP (Case No. 09-14861); Chalkline, LP (Case No. 09-14862); Glynda, LP (Case No. 09-14865); Tick, LP (Case No. 09-14866); Rhodes Arizona Properties, LLC (Case No. 09-14868); Rhodes Homes Arizona, L.L.C. (Case No. 09-14882); Tuscany Golf Country Club, LLC (Case No. 09-14884); and Pinnacle Grading, LLC (Case No. 09-14887).

² The Debtors reserve the right to file additional objections, whether on substantive or non-substantive grounds, to any and all other claims filed against their estates.

1 Bankruptcy Code. On April 1, 2009, the Secondary Filers filed voluntary petitions for relief
 2 under chapter 11 of the Bankruptcy Code. All references to Petition Date herein shall mean
 3 March 31, 2009 for the Primary Filers or April 1, 2009 for the Secondary Filers, as applicable.

4 2. The Debtors are continuing in possession of their property and are operating and
 5 managing their businesses, as debtors in possession, pursuant to sections 1107 and 1108 of the
 6 Bankruptcy Code.

7 **RELIEF REQUESTED**

8 3. By this Objection, the Debtors seek entry of an order, pursuant to section 502(b)
 9 of the Bankruptcy Code and Bankruptcy Rules 3003 and 3007, disallowing and expunging in
 10 full the Non-Debtor Claim.

11 **OBJECTION**

12 4. The Non-Debtor Claim is not a valid claim against the Debtors based on the
 13 Debtors' books and records. The documentation attached to the claim, indicates the claim is
 14 against South Dakota Conservancy, LLC, a non-debtor affiliate of the Debtors. The Debtors
 15 sent the claimant a letter requesting that the claimant withdraw her claim to avoid an objection
 16 being filed See Exhibit A. As of the date of this Objection, the Debtors have not received a
 17 withdrawal from the claimant (although in two follow up telephone conversations with the
 18 claimant or her husband by the Debtors' representatives, it was promised that such claim would
 19 be withdrawn).

20 5. Bankruptcy Code Section 502 authorizes a party in interest to object to claims.
 21 *See* 11 U.S.C. §502(a). Upon such objection, this Court, "after notice and a hearing, shall
 22 determine the amount of such claim in lawful currency of the United States as of the date of the
 23 filing of the petition" 11 U.S.C. § 502(b). Although a proper proof of claim is presumed
 24 valid under Bankruptcy Rule 3001(f), once an objection controverts the presumption, the
 25 creditor has the ultimate burden of persuasion as to the validity and amount of the claim.
 26 *Ashford v. Consolidated Pioneer Mortg. (In re Consolidated Pioneer Mortg.)*, 178 B.R. 222,
 27 226 (B.A.P. 9th Cir. 1995), *aff'd*, 91 F.3d 151 (9th Cir. 1996) (quoting *In re Allegheny*
 28 *International, Inc.*, 954 F.2d 167, 173-74 (3d Cir. 1992)). The Bankruptcy Appellate Panel for

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the Ninth Circuit explained the shifting burdens of proof with respect to objection to proofs of claim as follows:

The burden of proof for claims brought in the bankruptcy court under 11 U.S.C.A. § 502(a) rests on different parties at different times. Initially, the claimant must allege facts sufficient to support the claim. If the averments in his filed claim meet this standard of sufficiency, it is “prima facie” valid. In other words, a claim that alleges facts sufficient to support a legal liability to the claimant satisfies the claimant’s initial obligation to go forward. . . . The burden of persuasion is always on the claimant.

Id. (emphasis added). Following this decision, the District Court for the Northern District of California emphasized, “unless the claimant has alleged ‘facts sufficient to support a legal liability, ‘the claim is not prima facie valid.’” *In re Hongnisto*, 293 B.R. 45, 50 (N.D. Cal. 2003) (quoting *Consolidated Pioneer Mortg.*, 178 B.R. at 266) (holding that the claimant’s proof of claim failed to allege sufficient facts to support a legal liability and consequently disallowed the proof of claim); *see Consolidated Pioneer Mortg.*, 178 B.R. at 227 (holding that because the proof of claim did not allege sufficient facts to support the claim, the proof of claim was disallowed).

6. Based on the Debtors’ review of their books and records and the proof of claim filed by the claimant, and the claimant’s lack of response to the Debtors’ request to withdraw the claim, the Debtors submit that this Non-Debtor Claim should be disallowed and expunged in full by the Court.

CONCLUSION

7. The Debtors object to the allowance of the Non-Debtor Claim for the reasons stated herein, and the Debtors hereby move this Court for an Order disallowing and expunging in full the Non-Debtor Claim, as identified in the proof of claim attached to the letter in **Exhibit A**.

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NOTICE

8. No trustee or examiner has been appointed in these chapter 11 cases. Notice of this Objection has been provided to (i) the United States Trustee for the District of Nevada, (ii) counsel to the Creditors' Committee, (iii) the claimant for which the Debtors are objecting to the claim in this Objection in accordance with the address provided in the proof of claim for such Non-Debtor Claim, (iv) each person or entity that has filed a notice of appearance and request for special notice, and (v) other required parties pursuant to the Court's case management order entered in these cases. The Debtors submit that in light of the nature of the relief requested herein, no other or further notice is required.

9. Pursuant to Bankruptcy Rule 3007, the Debtors have provided the claimant affected by the Objection with at least thirty (30) days' notice of the hearing on the Objection.

WHEREFORE, the Debtors respectfully request that the Court enter an Order, substantially in the form attached hereto as **Exhibit B**, disallowing and expunging in full the Non-Debtor Claim attached as **Exhibit A** hereto, and granting such other and further relief as the Court deems just and proper under the circumstances of these chapter 11 cases.

DATED this 16th day of October, 2009.

LARSON & STEPHENS

/s/ Zachariah Larson, Esq.
 Zachariah Larson, Bar No. 7787
 Kyle O. Stephens, Bar No. 7928
 810 S. Casino Center Blvd., Suite 104
 Las Vegas, NV 89101
 702/382-1170
 Attorneys for Debtors and Debtors in
 Possession

**DECLARATION OF PAUL D. HUYGENS IN SUPPORT OF DEBTORS' OBJECTION
TO HERMINIA SCANNICCHIO'S CLAIM [NON-DEBTOR CLAIM]**

I, Paul D. Huygens, declare as follows:

1. I am the Senior Vice President of Special Projects of the above-captioned Debtors and Debtors in possession. The facts set forth in this Declaration are personally known to me and, if called as a witness, I could and would testify thereto.

2. This declaration is submitted in support of the *Debtors' Objection to Herminia Scannicchio's Claim Pursuant to Section 502(b) of the Bankruptcy Code and Bankruptcy Rules 3003 and 3007 [Non-Debtor Claim]* (the "Objection").

3. I am one of the persons responsible for overseeing the claims reconciliation and objection process in the Debtors' chapter 11 cases. I have read the Debtors' Objection and am directly, or by and through my personnel or agents, familiar with the information contained therein, the proposed form of order (the "Proposed Order") and the exhibits attached thereto.

4. The claim and attached information and documentation were carefully reviewed and analyzed in good faith, and the Debtors' books and records were referenced for additional support, utilizing due diligence by appropriate personnel of the Debtors. These efforts have resulted in the identification of the disputed "Non-Debtor Claim," identified in the proof of claim attached to **Exhibit A**. I have personally reviewed the Non-Debtor Claim.

5. To the best of my knowledge, information and belief, the claim attached as part of **Exhibit A** is not a valid claim against the Debtors. The claimant has no valid legal justification for asserting the filed claim against the given Debtor based on the Debtor's book and records. Based on the documentation attached to the claim, the Debtors believe that the claim is against South Dakota Land Conservancy, LLC, a non-debtor affiliate of the Debtors. As a result, I believe that this claim should be disallowed and expunged by the Court. The Debtors sent the claimant a letter requesting that the claimant withdraw her claim to avoid an objection being filed See Exhibit A. As of the date of this Objection, the Debtors have not received a withdrawal from the claimant (although in two follow up telephone conversations with the

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1 claimant of her husband by the Debtors' representatives, it was promised that such claim would
2 be withdrawn).

3 6. I believe that granting the relief requested in the Objection is in the best
4 interests of the Debtors, their estates and their creditors.

5 I declare under penalty of perjury pursuant to 28 U.S.C. § 1746 that the foregoing is true
6 and correct to the best of my knowledge, information, and belief.

7 Executed this 16th day of October, 2009, at Las Vegas, Nevada.

8
9 /s/ Paul D. Huygens

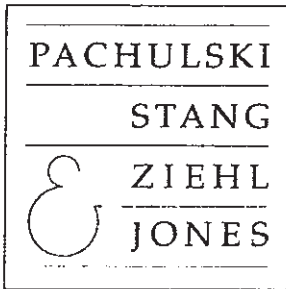
10 Paul D. Huygens
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EXHIBIT A

LARSON & STEPHENS
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Las Vegas, Nevada 89101
Tel: (702) 382-1170 Fax: (702) 382-1169

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LAW OFFICES
LIMITED LIABILITY PARTNERSHIP

LOS ANGELES, CA
SAN FRANCISCO, CA
WILMINGTON, DE
NEW YORK, NY

10100 SANTA MONICA BLVD.
11th FLOOR
LOS ANGELES
CALIFORNIA 90067-4100

TELEPHONE: 310/277 6910
FACSIMILE: 310/201 0760

SAN FRANCISCO
150 CALIFORNIA STREET
15th FLOOR
SAN FRANCISCO
CALIFORNIA 94111-4500

TELEPHONE: 415/263 7000
FACSIMILE: 415/263 7010

DELAWARE
919 NORTH MARKET STREET
17th FLOOR
P.O. BOX 8705
WILMINGTON
DELAWARE 19899-8705

TELEPHONE: 302/652 4100
FACSIMILE: 302/652 4400

NEW YORK
780 THIRD AVENUE
36th FLOOR
NEW YORK
NEW YORK 10017-2024

TELEPHONE: 212/561 7700
FACSIMILE: 212/561 7777

Michael Matteo

July 8, 2009

mmatteo@pszjlaw.com
310.277.6910

VIA U.S. FIRST CLASS MAIL

Herminia Scannicchio
3206 Ivanhoe Ranch Road
El Cajon, CA 92019

**Re: The Rhodes Companies, LLC, et al.
USBC Case No. 09-14814 LBR**

Dear Herminia:

This firm represents The Rhodes Companies, LLC (the "Debtor") in its Chapter 11 bankruptcy filed in the United States Bankruptcy Court for the District of Nevada (Case No. 09-14814 LBR). You filed a proof of claim on your behalf, designated as proof of claim number 6 in the amount of \$22,163.34 in the Debtor's bankruptcy case.

The aforementioned proof of claim is against South Dakota Conservancy, which is not a Debtor in these proceedings. Please withdraw your claim by signing and returning the enclosed Notice of Withdrawal of Claim form by July 20, 2009 so that we may avoid having to object to your claim in the Bankruptcy Court. Thank you.

Very truly yours,



Michael A. Matteo, Paralegal

Enclosure

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA
SOUTHERN DIVISION**

In re:

Case No.: BK-S-09-14814-LBR
(Jointly Administered)

THE RHODES COMPANIES, LLC, aka
"Rhodes Homes," et al.,¹
Debtors.

Chapter 11

Affects:

☐ All Debtors
☒ Affects the following Debtor(s):

THE RHODES COMPANIES, LLC,

NOTICE OF WITHDRAWAL OF PROOF OF CLAIM


Creditor Herminia Scannicchio hereby withdraws her proof of claim, designated as Claim No. 6 in the amount of \$22,163.34 filed in Bankruptcy Case No. 09-14814 against The Rhodes Companies, LLC.

Dated: _____, 2009

Herminia Scannicchio

¹ The Debtors in these cases, along with their case numbers are: Heritage Land Company, LLC (Case No. 09-14778); The Rhodes Companies, LLC (Case No. 09-14814); Tribes Holdings, LLC (Case No. 09-14817); Apache Framing, LLC (Case No. 09-14818); Geronimo Plumbing LLC (Case No. 09-14820); Gung-Ho Concrete LLC (Case No. 09-14822); Bravo, Inc. (Case No. 09-14825); Elkhorn Partners, A Nevada Limited Partnership (Case No. 09-14828); Six Feathers Holdings, LLC (Case No. 09-14833); Elkhorn Investments, Inc. (Case No. 09-14837); Jarupa, LLC (Case No. 09-14839); Rhodes Realty, Inc. (Case No. 09-14841); C & J Holdings, Inc. (Case No. 09-14843); Rhodes Ranch General Partnership (Case No. 09-14844); Rhodes Design and Development Corporation (Case No. 09-14846); Parcel 20, LLC (Case No. 09-14848); Tuscany Acquisitions IV, LLC (Case No. 09-14849); Tuscany Acquisitions III, LLC (Case No. 09-14850); Tuscany Acquisitions II, LLC (Case No. 09-14852); Tuscany Acquisitions, LLC (Case No. 09-14853); Rhodes Ranch Golf Country Club, LLC (Case No. 09-14854); Overflow, LP (Case No. 09-14856); Wallboard, LP (Case No. 09-14858); Jackknife, LP (Case No. 09-14860); Batcave, LP (Case No. 09-14861); Chalkline, LP (Case No. 09-14862); Glynda, LP (Case No. 09-14865); Tick, LP (Case No. 09-14866); Rhodes Arizona Properties, LLC (Case No. 09-14868); Rhodes Homes Arizona, L.L.C. (Case No. 09-14882); Tuscany Golf Country Club, LLC (Case No. 09-14884); and Pinnacle Grading, LLC (Case No. 09-14887).

B 10 (Official Form 10) (12/08)

UNITED STATES BANKRUPTCY COURT		PROOF OF CLAIM
Name of Debtor: The RHODES COMPANIES, LLC		Case Number: 09-14814-1BR
NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.		
Name of Creditor (the person or other entity to whom the debtor owes money or property): HERMINIA SCANNICCHIO		<input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim. Court Claim Number: _____ (If known) Filed on: _____
Name and address where notices should be sent: HERMINIA SCANNICCHIO 3206 IVANHOE RANCH RD. EL CAJON, CA 92019		
Telephone number: (619) 647-6389		
Name and address where payment should be sent (if different from above):		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars. <input type="checkbox"/> Check this box if you are the debtor or trustee in this case.
Telephone number:		
1. Amount of Claim as of Date Case Filed: \$ 22,163.34 If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4. If all or part of your claim is entitled to priority, complete item 5. <input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.		5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount. Specify the priority of the claim. <input type="checkbox"/> Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B). <input type="checkbox"/> Wages, salaries, or commissions (up to \$10,950*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. §507 (a)(4). <input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. §507 (a)(5). <input type="checkbox"/> Up to \$2,425* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. §507 (a)(7). <input checked="" type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. §507 (a)(8). <input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. §507 (a)(). Amount entitled to priority: \$ _____ <small>*Amounts are subject to adjustment on 4/1/10 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.</small>
2. Basis for Claim: REAL ESTATE PAYMENTS, interest + PROPERTY TAXES (See instruction #2 on reverse side.)		
3. Last four digits of any number by which creditor identifies debtor: _____ 3a. Debtor may have scheduled account as: SOUTH DAKOTA CONSERVANCY LLC (See instruction #3a on reverse side.)		
4. Secured Claim (See instruction #4 on reverse side.) Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information. Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: Value of Property: \$ _____ Annual Interest Rate _____ % Amount of arrearage and other charges as of time case filed included in secured claim, If any: \$ _____ Basis for perfection: _____ Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____		
6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.		
7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See instruction 7 and definition of "redacted" on reverse side.) DONOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING. If the documents are not available, please explain:		
Date: 4/23/09 Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any. 		FOR CREDITOR ONLY APR 30 2009 By Omni Management Group, Claims Agent For U.S. Bankruptcy Court

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 159.

604

PROMISSORY NOTE SECURED BY DEED OF TRUST

Escrow No. 01495876
Branch Unit # 270

\$215,000.00

Kingman, Arizona

Date: November 4, 2005

For value received, South Dakota Conservancy, LLC, a South Dakota limited liability company maker, promises to pay to Herminia Scannicchio, a married woman, as her sole and separate property, holder or order, the sum of Two Hundred Fifteen Thousand And 00/100 DOLLARS payable as follows:

Payments:

Payable in regular quarterly payments of interest only payments of \$5375.00, or more, on or before the ____ day of every quarter beginning May 2, 2006, with interest on all unpaid principal at the rate of 10.00% per annum from February 2, 2006, the interest to be first deducted from the regular payment(s) and the remainder to be applied upon the principal.

Late Charge:

Any above noted payment which is at least 5 days past due, shall be subject to a late charge of \$268.75. If said late charge is not paid with the delinquent payment, said late payment shall be accepted by the Servicing Agent and the unpaid late charge(s) shall be accumulated as a separate balance that shall not accrue interest.

Final Payment:

PROVIDED HOWEVER, if not sooner paid the entire unpaid principal, accrued late penalties and all accrued interest shall be due and payable on February 2, 2014.

Due on Sale:

It is understood and agreed by the parties hereto that the maker shall not assign or otherwise transfer any right, title or interest in or to these premises or this encumbrance during the life of this encumbrance, without the written consent of the holder to such assignment or transfer. In the event of such assignment or transfer without written consent, the entire unpaid principal balance, accrued late penalties and all accrued interest shall, at the option of the holder, become all due and payable.

Should default be made in payment of any payment when due, the whole sum of the principal and interest shall become immediately due at the option of the holder of this note.

Principal and interest payable in lawful money of the United States.

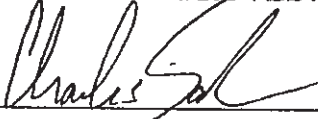
The makers and endorsers hereof waive presentment, demand, notice of dishonor and protest.

If suit be brought to recover on this note, the Maker (Payor) agrees to pay such sum as the Court may fix as attorney's fees.

This Note is secured by a Deed of Trust, of even date herewith, upon real property.

Having reviewed, accepted, and approved this Note with all its terms and conditions, this Note shall supercede any and all other agreements, and is hereby accepted in its final form.

ACCEPTED AND APPROVED:



Maker (Payor)

Holder (Payee)

DO NOT DESTROY THIS NOTE

Do Not Destroy this original Note: When paid, this original note, together with the Deed of Trust securing same must be surrendered to Trustee for Cancellation and retention before reconveyance will be made.

This Note is secured by a Deed of Trust, of even date herewith, upon real property.

Having reviewed, accepted, and approved this Note with all its terms and conditions, this Note shall supercede any and all other agreements, and is hereby accepted in its final form.

ACCEPTED AND APPROVED:

Maker (Payor)



Holder (Payee)

DO NOT DESTROY THIS NOTE

Do Not Destroy this original Note: When paid, this original note, together with the Deed of Trust securing same must be surrendered to Trustee for Cancellation and retention before reconveyance will be made.

TS No. 98081084
Recorded: September 9, 2008

WHEN RECORDED MAIL TO:
LANDAMERICA TITLE AGENCY
ATTN: TRUST DEPT.
2901 E. CAMELBACK ROAD
PHOENIX, AZ 85016
(602) 954-0022

3/3

NOTICE OF TRUSTEE'S SALE

The following legally described trust property situate in Mohave County, Arizona, will be sold pursuant to the power of sale under that certain Deed of Trust and Assignment of Rents recorded in Docket 6088, Page 770, records of Mohave County, Arizona, at public auction to the highest bidder at the side steps of the Mohave County Courthouse, 401 E. Spring Street, Kingman, AZ on Wednesday, December 10, 2008 at 10:00AM of said day:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

THE PURPORTED STREET ADDRESS, IF ANY, OR IDENTIFIABLE LOCATION
OF THE TRUST PROPERTY IS:

Address Unavailable
See Legal Description
Mohave County, AZ

TAX PARCEL NUMBER: 209-27-015 and 209-27-016
ORIGINAL PRINCIPAL BALANCE: 215,000.00

THE NAME AND ADDRESS OF TRUSTEE IS:

LANDAMERICA TITLE AGENCY,
2901 E. CAMELBACK ROAD
PHOENIX, AZ 85016

THE NAME AND ADDRESS OF THE TRUSTOR IS:

South Dakota Conservancy, LLC, a South Dakota limited
liability company
7345 S. Durango Dr. B-107-147
Las Vegas, NV 89113

THE NAME OF THE APPARENT OWNER OF RECORD IS:

South Dakota Conservancy, LLC, a South Dakota limited
liability company
7345 S. Durango Dr. B-107-147
Las Vegas, NV 89113

TS No. 98081084

THE NAME AND ADDRESS OF THE BENEFICIARY IS:

Herminia Scannicchio, a married woman, as her sole and
separate property
3206 Ivanhoe Ranch Rd.
El Cajon, CA 92019

Dated September 8, 2008

LandAmerica Title Agency

Barbara Rostad

By: Barbara Rostad

Its: Trustee Sale Officer

MANNER OF TRUSTEE QUALIFICATION:

A corporation doing business as an Escrow Agent pursuant to 33-803(A)(1)

REGULATORY AGENT: Arizona State Banking Department

STATE OF ARIZONA

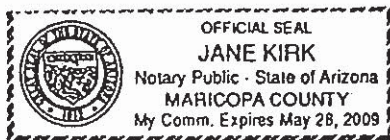
COUNTY OF MARICOPA

} ss.

The foregoing instrument was acknowledged before me September 8, 2008, by
Barbara Rostad, the Trustee Sale Officer of LandAmerica Title Agency, on
behalf of the corporation.

My commission expires 5/28/2009

Jane Kirk
Notary Public Jane Kirk



98081084

EXHIBIT "A"- Legal Description

Parcels No. 87 and 88 as shown on the Roadway and Utility Easement map recorded November 20, 1975 at Fee No. 75-28148 in the office of the Recorder of Mohave County, Arizona more particularly described as follows:

The Southeast quarter of the Southeast quarter and the Southwest quarter of the Southeast quarter of Section 34, Township 19 North, Range 18 West of the Gila and Salt River Base and Meridian, Mohave County, Arizona;

EXCEPT the North half of the Northeast quarter of the Northeast quarter of the Southeast quarter of the Southeast quarter of said Section 34.

CAPITAL TITLE AGENCY INC.



STATEMENT OF BREACH
OR NON PERFORMANCE

NOTICE IS HEREBY GIVEN that a breach or non-performance of that certain Deed of Trust recorded in Mohave County, Arizona, Book 6088 page 770, or of the contract secured thereby, dated November 4, 2005 with South Dakota Conservancy, LLC, a South Dakota limited liability company as Trustor and Capital Title Agency Inc., Trustee, has occurred.

The nature of such breach or non-performance is as follows:

Failure to make Quarterly Interest Only Installments due on or before May 2, 2008 and all subsequent payments thereafter in the amount of \$5,375.00 each, said interest at the rate of 10% per annum, from February 2, 2008 on the entire unpaid principal balance.

Any above note payment which is at least 5 days past due, shall be subject to a late charge of \$268.75.

In addition, all other terms of the Note and Deed of Trust.

THE UNDERSIGNED BENEFICIARY IS HEREBY DECLARING ALL SUMS OWED UNDER THE TERMS OF THE NOTE IMMEDIATELY DUE AND PAYABLE.

YOUR INTEREST IN THE TRUST PROPERTY DESCRIBED ON THE ENCLOSED NOTICE OF TRUSTEE'S SALE MAY BE SUBJECT TO BEING TERMINATED BY SUCH TRUSTEE'S SALE.

The Beneficiary in said Deed of Trust has elected to sell or cause to be sold the property described in said Deed of Trust at a trustee's sale in compliance with A.R.S. §33-801, et seq.

Dated: 8/1/08

A handwritten signature in cursive script, appearing to read 'Joe Scannicchio', written over a horizontal line.
Beneficiary: Herminia Scannicchio by
Joe Scannicchio, her Attorney in Fact

2901 East Camelback Road • Phoenix, Arizona 85016
Phone: (602) 954-0022 • Fax: (602) 468-9949

A wholly owned subsidiary of Capital Title Group

LANDAMERICA TITLE AGENCY, INC.
2901 E. CAMELBACK ROAD
PHOENIX, AZ 85016
(602) 954-0022

To Whom it May Concern:

RE: Trustee's Sale No. : 98081084
Account No. 1495876

I (we) the undersigned, hereby instruct LANDAMERICA TITLE AGENCY INC., an Arizona corporation to bid on our behalf at the Trustee's Sale being held in the side steps of the Mohave County Courthouse, 401 E. Spring Street, Kingman, AZ, on December 10, 2008, at 10:00AM or at any postponement thereof, in connection with that certain Deed of Trust and Assignment of Rents dated November 4, 2005 and recorded on February 2, 2006 in Docket 6088, Page 770, by way of off-set (cash equivalent) the amount listed below. I (we) do not intend to be present at the time of the sale.

Enclosed is my (our) check in the amount of \$1,317.62 to cover fees set forth below which we understand will be refunded to us, plus retainer fee previously deposited by me (us), if Trustor brings the Note current prior to sale or if a third party purchases the property.

Amounts due at Sale are as follows:

Principal:

\$ 215,000.00

Interest to Sale:

\$ 18,394.36

Late Charges:

\$ 806.25

Auctioneer's Fee 55.00
Certified Mailing Fees 65.00
Doc Prep Fee 50.00
Posting Costs 65.00
Publication Costs 381.62
Recording Fees 56.00
Service Fee 135.00
Trustee Fees 1,000.00
TSG Fee 510.00

TOTAL DUE

.....\$ 236,518.23

We hereby certify the above amounts are correct and instruct Trustee to bid in on Sale the amount of \$ 236,518.23.

Dated this 25 day of November, 2008.

41-... 0 - 11.



PAGE: 1 of 2 FEE # 2008060787

Recording Requested By: *Capital Title Agency Inc.*

When Recorded mail to:

Joe Scannicchio
3206 Ivanhoe Ranch Rd.
El Cajon, CA 92019

98081084 1/3

B: 7301 P: 911

OFFICIAL RECORDS
OF MOHAVE COUNTY
JOAN MCCALL,
COUNTY RECORDER



09/09/2008 04:05 PM Fee: \$14.00
DOC TYPE: GPA
PAID BY: LANDAMERICA

General Power of Attorney

KNOW ALL MEN BY THESE PRESENTS: That Herminia Scannicchio, the undersigned (jointly and severally if more than one), hereby make, constitute and appoint Joseph G. Scannicchio, Sr. my true and lawful Attorney for me and in my name, place and stead and for my use and benefit.

(a) To ask, demand, sue for, recover, collect and receive each and every sum of money, debt, account, legacy, bequest, interest, dividend, annuity and demand (which now is or hereafter shall become due, owing or payable) belonging to or claimed by me, and to use and take any lawful means for the recovery thereof by legal process or otherwise, and to execute and deliver a satisfaction or release therefor, together with the right and power to compromise or compound any claim or demand;

(b) To exercise any or all of the following powers as to real property, any interest therein and/or any improvements thereon: To contract for, purchase, receive and take possession thereof and of evidence of title thereto; to lease the same for any term or purpose, including leases for business, residence, and oil and/or mineral development; to sell, exchange, subdivide, grant or convey the same with or without warranty, covenant or restrictions; to mortgage, transfer in trust, or otherwise encumber the same to secure payment of a note or performance of any obligation or agreement; and to accept the conveyance thereof as a joint tenant with right of survivorship or as community property with the right of survivorship with any other person or persons, including property wherein my said Attorney is one of the joint tenants or spouses;

Initials: HS (Principal) Initials: JML (Witness)

(c) To exercise any or all of the following powers as to all kinds of personal property and goods, wares and merchandise, checks, chooses in action and other property in possession or in action: To contract for, buy, sell, exchange, transfer, endorse and in any legal manner deal in and with the same; and to mortgage, transfer in trust, or otherwise encumber the same to secure payment of a note or performance of any obligation or agreement;

(d) To borrow money and to execute and deliver notes therefor, with or without security; and to loan money and receive notes therefor with such security as he shall deem proper;

(e) To transact business of any kind or class and as my act and deed to sign, execute, acknowledge and deliver any deed, lease, assignment of lease, covenant, indemnity, agreement, mortgage, deed of trust, assignment of mortgage or beneficial interest under deed of trust, subdivision plat, extension or renewal of any obligation, subordination or waiver of priority, bill of lading, bill of sale, bond, note, receipt, check, evidence of debt, full or partial release of mortgage, judgment or other debt, and such other instruments in writing of any kind or class as may be necessary or proper in the premises;

(f) This power shall not be affected by disability of the principal: All acts done by my Attorney pursuant to this power during any period of disability or incompetence or uncertainty as to whether I am dead or alive shall have the same effect and inure to the benefit of and bind me or my heirs, devisees and personal representative as if I were alive, competent and not disabled.

GIVING AND GRANTING unto my said Attorney full power and authority to do and perform all and every act and thing whatsoever requisite, necessary or appropriate to be done in and about the premises as fully to all intents and purposes as I might or could do if personally present, hereby ratifying all that my said Attorney shall lawfully do or cause to be done by virtue of these presents. When the context so requires, the masculine gender includes the feminine or

neuter, and the singular number includes the plural.

I, Herminia Scannicchio, the Principal, sign my name to this Power of Attorney this _____ day of _____, 2008, and being first duly sworn, do declare to the undersigned authority that I sign and execute this instrument as my Power of Attorney and that I sign it willingly, or willingly direct another to sign for me, that I execute it as my free and voluntary act for the purposes expressed in the Power of Attorney and that I am eighteen years of age or older, of sound mind and under no constraint or undue influence.

Herminia Scannicchio
PRINCIPAL Herminia Scannicchio

(NOTE: THE WITNESS CANNOT BE THE NOTARY PUBLIC, THE AGENT, THE AGENT'S SPOUSE OR THE AGENT'S CHILD.)

I, Lisa M. Leeman, the Witness, sign my name to the foregoing Power of Attorney being first duly sworn do declare to the undersigned authority that the Principal signs and executes this instrument as his/her Power of Attorney and that he/she signs it willingly, or willingly directs another to sign for him/her, that I, in the presence and hearing of the Principal, sign this Power of Attorney as Witness to the Principal's signing and that to the best of my knowledge the Principal is eighteen years of age or older, of sound mind and under no constraint or undue influence.

[Signature]
WITNESS

STATE OF California
COUNTY OF San Diego } ss:

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by Herminia Scannicchio,
the Principal, and subscribed and sworn to before me by Lisa M. Leeman,

Witness, this 1 day of Aug, 2008.



Reza M. Kaghaazchi
Notary Public

My Commission Expires June 26, 2012

NOTE: THIS POWER OF ATTORNEY GIVES THE PERSON WHOM YOU DESIGNATE YOUR AGENT BROAD POWERS TO HANDLE YOUR REAL PROPERTY, WHICH MAY INCLUDE POWERS TO PLEDGE, SELL OR OTHERWISE DISPOSE OF REAL PROPERTY WITHOUT ADVANCE NOTICE TO YOU OR APPROVAL BY YOU. THESE POWERS WILL EXIST EVEN AFTER YOU BECOME DISABLED, INCAPACITATED OR INCOMPETENT, CONSEQUENTLY, IF THERE IS ANYTHING ABOUT THIS FORM THAT YOU DO NOT UNDERSTAND, YOU SHOULD ASK A LAWYER TO EXPLAIN IT TO YOU.

EXHIBIT B

LARSON & STEPHENS
810 S. Casino Center Blvd., Suite 104
Las Vegas, Nevada 89101
Tel: (702) 382-1170 Fax: (702) 382-1169

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LARSON & STEPHENS
810 S. Casino Center Blvd., Suite 104
Las Vegas, Nevada 89101
 Tel: (702) 382-1170 Fax: (702) 382-1169

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re:

THE RHODES COMPANIES, LLC, aka
 “Rhodes Homes,” et al.,¹

Debtors.

Case No.: BK-S-09-14814-LBR
 (Jointly Administered)

Chapter 11

Affects:

- ☐ All Debtors
☒ Affects the following Debtor(s):

The Rhodes Companies, LLC 09-14814
 LBR

Hearing Date: November 16, 2009
 Hearing Time: 9:30 a.m.
 Courtroom 1

¹ The Debtors in these cases, along with their case numbers are: Heritage Land Company, LLC (Case No. 09-14778); The Rhodes Companies, LLC (Case No. 09-14814); Tribes Holdings, LLC (Case No. 09-14817); Apache Framing, LLC (Case No. 09-14818); Geronimo Plumbing LLC (Case No. 09-14820); Gung-Ho Concrete LLC (Case No. 09-14822); Bravo, Inc. (Case No. 09-14825); Elkhorn Partners, A Nevada Limited Partnership (Case No. 09-14828); Six Feathers Holdings, LLC (Case No. 09-14833); Elkhorn Investments, Inc. (Case No. 09-14837); Jarupa, LLC (Case No. 09-14839); Rhodes Realty, Inc. (Case No. 09-14841); C & J Holdings, Inc. (Case No. 09-14843); Rhodes Ranch General Partnership (Case No. 09-14844); Rhodes Design and Development Corporation (Case No. 09-14846); Parcel 20, LLC (Case No. 09-14848); Tuscany Acquisitions IV, LLC (Case No. 09-14849); Tuscany Acquisitions III, LLC (Case No. 09-14850); Tuscany Acquisitions II, LLC (Case No. 09-14852); Tuscany Acquisitions, LLC (Case No. 09-14853); Rhodes Ranch Golf Country Club, LLC (Case No. 09-14854); Overflow, LP (Case No. 09-14856); Wallboard, LP (Case No. 09-14858); Jackknife, LP (Case No. 09-14860); Batcave, LP (Case No. 09-14861); Chalkline, LP (Case No. 09-14862); Glynda, LP (Case No. 09-14865); Tick, LP (Case No. 09-14866); Rhodes Arizona Properties, LLC (Case No. 09-14868); Rhodes Homes Arizona, L.L.C. (Case No. 09-14882); Tuscany Golf Country Club, LLC (Case No. 09-14884); and Pinnacle Grading, LLC (Case No. 09-14887).

**ORDER SUSTAINING DEBTORS' OBJECTION TO HERMINIA SCANNICCHIO'S
CLAIM PURSUANT TO SECTION 502(b) OF THE BANKRUPTCY CODE AND
BANKRUPTCY RULES 3003 AND 3007 [NON-DEBTOR CLAIM]
[DOCKET NO. ____]**

Upon consideration of *Debtors' Objection to Herminia Scannicchio's Claim Pursuant to Section 502(b) of the Bankruptcy Code and Bankruptcy Rules 3003 and 3007 [Non-Debtor Claim]* [Docket No. ____] (the "Objection"),² filed by the above-captioned debtors and debtors in possession (collectively, the "Debtors"), requesting that the Court enter an order disallowing and expunging in full the disputed claim; and the Court having jurisdiction to consider the Objection and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having reviewed the Objection; the Court hereby finds and determines that, pursuant to Rule 3007 of the Federal Rules of Bankruptcy Procedure, due and proper notice has been provided to the holder of the claim attached as part of Exhibit A to the Objection and all other parties entitled to notice; and no other or further notice is necessary; and the relief requested in the Objection is in the best interests of the Debtors, their estates and creditors; and that the legal and factual bases set forth in the Objection establishes just cause for the relief requested therein; therefore

IT IS HEREBY ORDERED THAT:

1. Claim number 6 of Herminia Scannicchio in the amount of \$22,163.34, filed against The Rhodes Companies, LLC, is hereby disallowed and expunged in full.
2. This Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order.

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² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Objection.

LARSON & STEPHENS
810 S. Casino Center Blvd., Suite 104
Las Vegas, Nevada 89101
Tel: (702) 382-1170 Fax: (702) 382-1169

1 APPROVED/DISAPPROVED:

2 DATED this ___ day of November, 2009.

3 By: _____
4 UNITED STATES TRUSTEE
5 August B. Landis
6 Office of the United States Trustee
7 300 Las Vegas Blvd. S., Ste. 4300
8 Las Vegas, NV 89101

9 Submitted by:

10 DATED this 16th day of November, 2009.

11 By: /s/ Zachariah Larson
12 LARSON & STEPHENS
13 Zachariah Larson, Esq. (NV Bar No 7787)
14 Kyle O. Stephens, Esq. (NV Bar No. 7928)
15 810 S. Casino Center Blvd., Ste. 104
16 Las Vegas, NV 89101
17 (702) 382-1170 (Telephone)
18 (702) 382-1169 (Facsimile)
19 zlarson@lslawnv.com
20 *Attorneys for Debtors*

LARSON & STEPHENS
810 S. Casino Center Blvd., Suite 104
Las Vegas, Nevada 89101
Tel: (702) 382-1170 Fax: (702) 382-1169

LR 9021 Certification

In accordance with LR 9021, counsel submitting this document certifies as follows (check one):

___ The court has waived the requirement of approval under LR 9021.

___ No parties appeared or filed written objections, and there is no trustee appointed in the case.

___ I have delivered a copy of this proposed order to all counsel who appeared at the hearing, any unrepresented parties who appeared at the hearing, and any trustee appointed in this case, and each has approved or disapproved the order, or failed to respond, as indicated below.

Submitted by:

DATED this 16th day of November 2009.

By: /s/ Zachariah Larson

LARSON & STEPHENS

Zachariah Larson, Esq. (NV Bar No 7787)

Kyle O. Stephens, Esq. (NV Bar No. 7928)

810 S. Casino Center Blvd., Ste. 104

Las Vegas, NV 89101

(702) 382-1170 (Telephone)

(702) 382-1169

zlarson@lslawnv.com

Attorneys for Debtors